Ministry of Agriculture

Annual Report for 2015-16

saskatchewan.ca

Government of Saskatchewan

Table of Contents

Table of Contents

Letters of Transmittal 2

Introduction 4

Ministry Overview 5

Progress in 2015-16 6

2015-16 Financial Overview 17

For More Information 22

Appendix(ces) 23

Appendix A – Ministry Organization Chart 23

Appendix B – Loans and Guaranteed Debt 24

Appendix C – Legislation Administered by the Ministry 26

Appendix D – Special Purpose Funds and Agencies with Legislative Responsibilities 27

Appendix E – Third Party Funding 28

Appendix F – 2015-16 New and Amended Regulations 30

Letters of Transmittal

The Honourable Lyle Stewart
Minister of Agriculture

June 30, 2016

Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

The Government of Saskatchewan is committed to continuing the steady growth of the province for the people of Saskatchewan, while observing the principles of accountability, transparency and responsible spending.

The 2015-16 Annual Report shows progress toward the commitments that relate to the Ministry as of March 31, 2016.

The initiatives and strategies pursued in 2015-16, and the results that have been achieved, are communicated to the legislature and to the people of Saskatchewan through this report. The results from the last fiscal year act as the basis for the initiatives in the next fiscal year and align with the Ministry's long-term strategic plan. This report, therefore, not only demonstrates responsible spending, it also directs future planning and resource allocation.

I respectfully submit the Annual Report of the Ministry of Agriculture for the fiscal year ending March 31, 2016.

Lyle Stewart
Minister of Agriculture

Alanna Koch
Deputy Minister of Agriculture

June 30, 2016

The Honourable Lyle Stewart,
Minister of Agriculture

I have the honour of presenting to you the Saskatchewan Ministry of Agriculture Annual Report for the 12 months ending March 31, 2016.

The Ministry's Annual Report was prepared under my direction in accordance with the Government's Accountability Framework and its system of planning, measuring and reporting. I am ultimately responsible for the financial administration and management control of the Ministry. All key actions and associated economic or fiscal implications contained in this report are, to the best of my knowledge, accurate and reliable.

Alanna Koch
Deputy Minister of Agriculture

Introduction

This annual report presents the Ministry of Agriculture's results for the fiscal year ending March 31, 2016. It reports on publicly committed strategies, key actions and performance measures outlined in *Ministry of Agriculture Plan for 2015-16*. It also reflects progress toward commitments from the Government Direction for 2015-16: Keeping Saskatchewan Strong, the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, throne speeches and the Ministry Strategic Plan.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the people of Saskatchewan, specifically the farmers, ranchers and agri-businesses of the province.

Alignment with Government's Direction

The Ministry's activities in 2015-16 align with Government's vision and four goals:

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

- **Sustaining growth and opportunities for Saskatchewan people**
- **Meeting the challenges of growth**
- **Securing a better quality of life for all Saskatchewan people**
- **Delivering responsive and responsible government**

Together, all ministries and agencies support the achievement of Government's four goals and work toward a secure and prosperous Saskatchewan.

Ministry Overview

The Ministry's Role

The employees of the Ministry of Agriculture are committed to providing excellent service to the farmers, ranchers and agri-businesses of the province. Just like our clients, agriculture is our way of life and together we face the challenges, obstacles and opportunities associated with this thriving industry. Agriculture is reflected in the history of Saskatchewan and we are proud to continue that tradition through working partnerships with our clients.

A passion for our work is reflected in the professional values demonstrated by Ministry employees, including innovation, teamwork, integrity, service excellence and leadership at all levels.

The Ministry's mandate is to foster a commercially viable, self-sufficient and sustainable agriculture and food sector. We support farmers, ranchers and communities to develop higher value-added production and processing, and promote sustainable economic development in rural Saskatchewan through better risk management. Our mission is to enable a prosperous, market-driven agricultural industry through supportive legislative frameworks, policies, programs and services.

We fulfill this mission by providing a broad range of agriculture-related programs, insurance and economic development opportunities to grow the industry. We have 10 Regional Offices, including the Agriculture Knowledge Centre, staffed with specialists who work directly with farmers, ranchers and industry agrologists on everything from crop selection and forage development, to farm business practices and livestock management. We partner with the federal government to provide a range of agriculture-related programs through Growing Forward 2, providing producers and processors the tools and resources they need to innovate and capitalize on emerging market opportunities. We also work to increase the public's knowledge of the sustainable farming practices that help drive our economy. We proactively engage with industry and other governments to secure market access and increase the demand for Saskatchewan food products in countries around the world. We maintain legislation and regulations to ensure public safety and protect the environment. We support the pursuit of agricultural research and ensure our farmers and ranchers have access to the latest technology that helps them grow. We provide a range of business risk management programs so farmers can responsibly manage the risks associated with a market-driven industry. We support the continued expansion of provincial irrigation infrastructure so farmers can capitalize on higher value crops. We manage 50 community pastures and thousands of acres of agricultural Crown land for the benefit of all Saskatchewan citizens. Finally, we work to attract investment to increase value-added production in the province.

The Ministry budgeted for 392.4 full-time equivalents (FTEs) to deliver our programs and services in 2015-16; the actual number was 372.5. This underutilization was the result of FTE management across the Ministry.

Progress in 2015-16

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Enhanced Long-term Growth, Competitiveness and Sustainability of the Industry

Targeted investment in infrastructure, science and innovation

Strategies

Work with stakeholders to identify opportunities and set priorities;
Transition to an outcome-based regulatory framework; and
Partner with organizations to achieve Growth Plan targets.

Results

In 2015, Saskatchewan farmers harvested the second-largest crop in the province's history at 32 million tonnes. This is an exciting culmination of the research, investment, technology, hard work and devotion from producers province-wide. While good weather played a role, increasing yields are a direct result of improvements in crop genetics, advanced farming technologies and sound business management practices. Average crop production over the past three years has been more than 34 million tonnes, indicating continuous progress toward achieving the Growth Plan target of 36 million tonnes by 2020 on a regular basis.

Similarly, irrigation infrastructure continued to grow, the livestock sector enjoyed record revenues and the Ministry's value-added strategy helped entrepreneurs expand beyond primary production through innovative processing techniques. The Ministry has partnered with producers from across the province to develop and implement the various strategies that are contributing to these impressive achievements.

Saskatchewan has become the largest crusher of canola in Canada, and is capturing more value at home. We have five canola crushing plants: Louis Dreyfus Commodities (Yorkton), Richardson International (Yorkton), Cargill Ltd. (Clavet), Bunge Canada (Nipawin) and Milligan Biotech (Foam Lake). Thanks to these companies and the work of the Ministry's Value-Added Unit, activity has increased from 1.1 million metric tonnes of crush capacity in 2007 to upward of 4.2 million metric tonnes in 2015.

The crush facility in Clavet.

Key Actions

In support of the Saskatchewan Plan for Growth goals and objectives, we implemented sector driven strategies (Crops, Livestock, Irrigation and Value-Added) that increase investment in Saskatchewan and contribute to the benefits from the growing global demand for food, feed, fuel and fibre.

- Implemented the Crop Strategy, including Cropping for Success; partnered with commodity organizations to promote adoption of best management practices that enhanced yields and maximized profit.
- Initiated the Animal Welfare Strategy, which promotes the humane treatment of livestock through responsible farming, ranching and food industry practices.
- Contributed to the efforts to increase sales of Saskatchewan-produced vegetables through retail outlets, from 23,000 pounds in 2012 to more than two million pounds in 2015.
- Worked with commodity groups to increase understanding of how the International Union for the Protection of New Varieties of Plants (UPOV'91) ensures that plant breeders have increased protection and farmers have better access to improved plant genetics.
- Conducted irrigation suitability assessments on 7,550 acres of land, the first step toward expanding accessible irrigation infrastructure in the province.
- Facilitated a value-added workshop and networking event to share new value-added research and technology.

Provide programs and funding to assist the livestock industry to improve biosecurity and deal with emergency events.

- Provided more than 700 ranchers with livestock biosecurity training to help them adopt disease-related best practices and to prevent and limit the spread of disease.
- Implemented a Premises Identification Database that provides real-time locating of livestock and poultry facilities and helps producers efficiently manage livestock emergencies.
- Appointed Ministry staff from across the province as local emergency contacts, to be in a position to readily provide knowledge and resources in the event of an agriculture-related emergency.

Collaborate with public and private partners to deliver pest surveillance results.

- Processed more than 1,000 samples for clients at the Provincial Crop Protection Lab, allowing for improved pest management decisions and, also, used Lean techniques to modernize processes and improve turnaround times.
- Coordinated 16 pest surveys to ensure that farmers are aware of, and prepared to deal with, a range of potential pest problems.

Work with stakeholders to examine infrastructure impacting competitiveness, labour and market conditions.

- Partnered with the Ministry of Highways and Infrastructure, the Ministry of the Economy and stakeholders to ensure that Saskatchewan's agricultural priorities are considered in the review of the *Canada Transportation Act*.
- Completed an internal review of the Ministry's Growing Forward 2 programming, which will be complemented by comprehensive client consultations in 2016-17.

Develop and deliver *Growing Forward 2* programming to advance the industry.

- Provided $8 million of our $10 million commitment to support the development of a Livestock and Forage Centre of Excellence that will make Saskatchewan a leader in livestock and forage research.
- Provided $11 million for the International Trade Centre, which will create a venue to showcase our world-class agriculture industry.
- Approved 66 new projects under the Agriculture Development Fund (ADF), including $7 million for crop research and $7.8 million for livestock and forage research, leveraging an additional $3.6 million from industry for livestock and crop research projects focused on increasing yield, efficiency, and improving the sustainability and competitiveness of the agriculture industry.
- In addition, the livestock funding included new five-year core funding commitments for Prairie Swine Centre and the Vaccine and Infectious Disease Organization.
- Introduced the Meat Processor Livestock Welfare Program to support industry in the humane handling of livestock and poultry.
- Invested $7.2 million in water infrastructure projects, including the development of 845 new irrigation acres through the Farm and Ranch Water Infrastructure Program (FRWIP) to support secure water supplies for Saskatchewan farmers.
- Distributed over $3 million through Saskatchewan Lean Improvements in Manufacturing Program (SLIM) to improve the productivity and efficiency of value-added agri-businesses.
- Provided $1.2 million to support the improvement of environmental practices on farms through the Farm Stewardship Program.
- Supported 14 Industry Organization Development Fund projects by committing $90,000 dollars to assist commodity associations with their role promoting the responsible growth of their industries.

Make targeted investments in wheat research.

- Worked with the Crop Development Centre, the National Research Council of Canada, and Agriculture & Agri-Food Canada through the Canadian Wheat Alliance to fund six targeted projects to accelerate development of wheat varieties.
- Made investments in the Crop Development Centre that contributed to the development of six new wheat varieties.

Collaborate with industry to improve coordination of research investments and technology transfer including project funding, research capacity and funding for on-farm demonstration of new knowledge and technologies.

- Facilitated 382 projects at the eight Agri-ARM sites to demonstrate new crop and forage varieties and promote sustainable production practices with local farmers.
- Conducted 17 projects in collaboration with the Irrigation Crop Diversification Corporation to promote the use of irrigation best practices and increase adoption of high-value crops.

Maximize the agricultural and public benefits of Crown land through strategically focused sales and leasing programs.

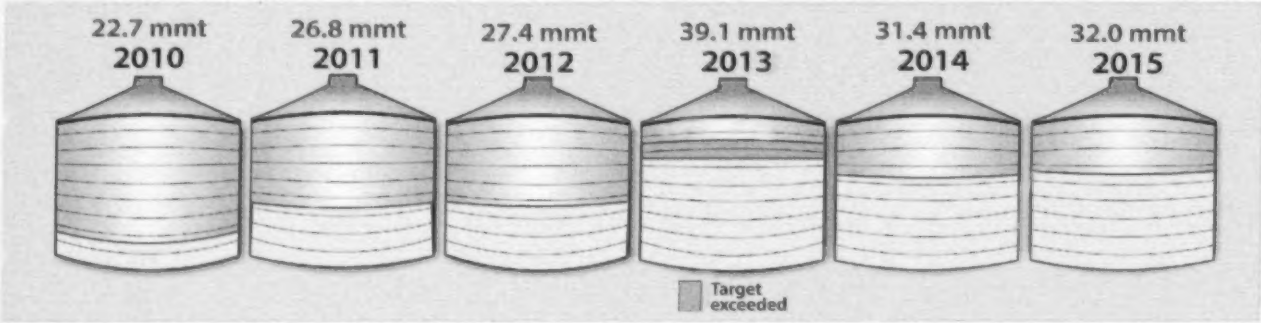
- Developed and introduced the 2015 Agricultural Crown Land Sale Program to sell lands that have no significant public, ecological or economic benefits.

Provide technical resources in support of science-based regulation.

- Continued funding applied research to improve the long-term sustainability and profitability of the agriculture industry through established scientific practices and principles.

Performance Measures

ANNUAL CROP PRODUCTION



A key goal of the Saskatchewan Plan for Growth is to increase crop production by 10 million tonnes by 2020.

In 2015, Saskatchewan producers harvested the second largest crop in the province's history at 32 million tonnes. Over the last three years, production has averaged 33.9 million tonnes, and we are well on the way to achieving a continued yield of 36.6 million tonnes by 2020.

Many variables go into producing a successful crop, and weather is one of the most important; continuous research into improving crop genetics has resulted in varieties that are well-adapted to Saskatchewan's variable climate. Coupled with improved production techniques like direct seeding, efficient nutrient use and crop rotations, these varieties perform well for both yield and quality.

The Ministry will continue to work with producers and industry to achieve and sustain crop production at, or above, the Growth Plan target. Our commitment to best crop management practices will result in increased profitability and crop production in Saskatchewan.

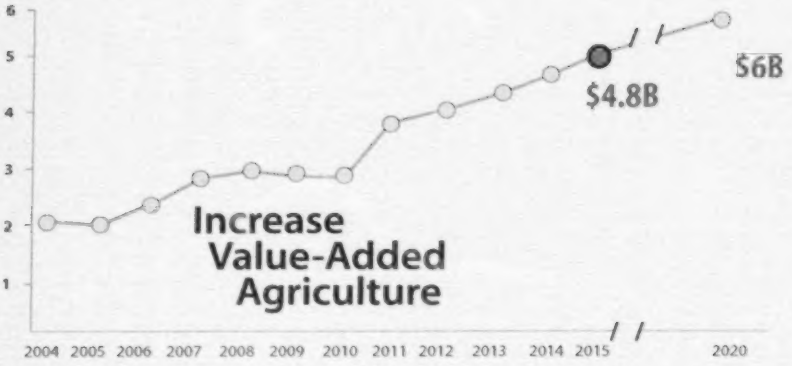
ANNUAL LIVESTOCK SECTOR REVENUE

The Saskatchewan Plan for Growth calls for significant growth in the livestock herd and expanded livestock feeding. The Ministry aims to acheive this by exceeding $2 billion in annual livestock cash receipts by 2020. Annual revenue has risen dramatically from $1.9 billion in 2013 to $2.7 billion in 2014 and $2.6 billion in 2015. Record high cattle prices are the primary reason for the large revenue increases in 2014. While prices softened slightly in 2015, many producers took advantage of the opportunity to grow their herd.

The growth in the global population, combined with expected increases in income levels in many countries, will increase demand for meat protein. Saskatchewan, with 21 million acres of pasture and forage land, is well-suited for livestock production and has an excellent opportunity to meet this growing demand.

The Ministry will use its resources to emphasize the importance of adopting livestock management and protection best practices to responsibly increase the herd size and profitability of Saskatchewan ranchers.

ANNUAL VALUE ADDED REVENUE



The Saskatchewan Plan for Growth target of $6 billion for value-added revenue is sending a compelling signal to industry, the research community and other governments that our value-added sector has significant opportunity to expand. A strong value-added industry will allow us to take advantage of global opportunities tied to increasing demands for food, feed, fuel and fibre, while growing our domestic and international markets.

Total revenue from value-added agriculture activity has doubled from $2.3 billion in 2004 to $4.8 billion in 2015. Much of this growth has been due to the canola crush industry, which still has potential for growth. To meet our target of $6 billion in total revenue by 2020, processing of all crop commodities needs to occur here at home. This includes a range of options such as grain milling, malt production, ingredient fractionation from pulses and other crops, animal food manufacturing and meat processing.

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Enhanced Trade Advocacy

Support industry to enhance trade in priority markets

Strategies

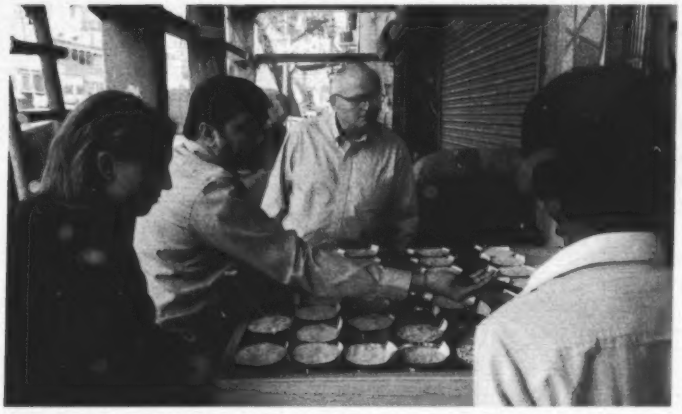
Develop and implement trade strategies for key agriculture markets;
Collaborate with partners, including industry, to access target markets; and
Influence federal trade policy to reflect Saskatchewan priorities.

Results

In 2015, exports of agri-food products from Saskatchewan such as lentils, canola oil and wheat increased to $15.3 billion, exceeding the 2020 target in the Plan for Growth. This impressive achievement is largely due to the leadership of producers and agri-businesses; the Ministry plays an active role by supporting international trade missions, collaborating with industry associations and representing the province's economic interests at negotiating tables.

In 2015, the Ministry supported a large trade mission to India to follow-up on International Year of the Pulse commitments, develop relationships and continue expanding the economic opportunities in the vast Asian market. Agriculture Minister Lyle Stewart was joined by Ministry officials and industry representatives for the week-long mission to Mumbai, Jaipur and Delhi. The mission sought to expand on our 2015 exports of $1.8 billion to India which, in addition to potash, featured a significant agricultural component of lentils and peas.

> *"The Ministry of Agriculture's presence at India's largest pulse trade event helps to increase the profile of Saskatchewan pulses in our largest market. This has helped to foster long-term relationships and increased awareness of Saskatchewan as a stable, long-term supplier of nutritious food to India."*
>
> Trent Richards – *Director, Saskatchewan Pulse Growers*



Minister Lyle Stewart and Chief of Staff Ashley Anderson visit a pulse market in Delhi.

Key Actions

Build industry capacity to promote Saskatchewan agriculture exports in international markets and partner with stakeholders on trade advocacy, market development and investment attraction.

- Approved 38 applications worth more than $850,000 under the Market Development Program to support industry's efforts to market agri-food products outside Saskatchewan and improve market access.
- Supported Minister Stewart's participation in a trade mission to India to help solidify our trade relationship for pulse crops and promote future exports such as canola, flax and oats.
- Collaborated with industry and the India Pulses and Grains Association to increase Saskatchewan pulse exports through sponsorship of the Global Pulses Conclave.
- Hosted an information session with more than 60 stakeholders to highlight the agriculture-related outcomes of the Trans-Pacific Partnership Agreement (TPP) and the Comprehensive Economic and Trade Agreement (CETA).
- Advanced Saskatchewan's trade policy interests through active engagement with North American policymakers at the Tri-National Agricultural Accord and the Pacific Northwest Economic Region Summit.
- Supported trade advocacy efforts with the federal government resulting in the repeal of the Country of Origin Labeling legislation in the United States, ensuring that our farmers and ranchers continue to have fair access to the American consumer market for beef and pork.
- Supported the new Crop Mission to the Middle East and North Africa and the International Year of Pulses to expand the market for Saskatchewan agricultural products.

Performance Measures

VALUE OF AGRI-FOOD EXPORTS

Under the Saskatchewan Plan for Growth, the province established a target of $15 billion in agri-food exports by 2020; this target builds on our traditional strengths in primary production and ongoing efforts to expand value-added activity. In 2015, Saskatchewan surpassed this target with record exports of $15.3 billion, up 9.5 per cent from $13.9 billion in 2014.

The growth in agricultural exports was fueled by our high production levels and rising global demand. Lentils, chickpeas and canola oil accounted for significant gains in export value. With forecasted growth in world populations and income levels, it is anticipated that the global demand for food and agricultural-related goods will continue to increase. We will continue to work with agri-businesses to take advantage of emerging opportunities by expanding market presence, influencing federal trade negotiations and collaborating with the private sector.

Government Goals

Sustaining growth and opportunities for Saskatchewan people | Meeting the challenges of growth | Securing a better quality of life for all Saskatchewan people | **Delivering responsive and responsible government**

Enhanced Client Service

Efficiently develop and deliver effective programs and services

Strategies

Implement modern service delivery tools and techniques;
Work with clients and stakeholders to develop, evaluate and enhance programs, services and legislation; and
Implement service standards throughout the Ministry.

Results

The Ministry of Agriculture values service excellence and we pride ourselves on delivering quality, timely services to our clients. We continuously seek to improve the programs and services we provide, as well as the manner in which we provide them. We recognize that clients expect programming to be accessible online to reduce complexity and turnaround times. In 2015, we developed a new Digital Strategy to create a roadmap for the transition to online service delivery. This strategy is closely linked to the government's transition to our new website, Saskatchewan.ca. In 2015, we migrated our web content to our new web portal Saskatchewan.ca/agriculture. The new search-based website contains a variety of information including crop updates, market trends, program offerings, news releases and contact information.

The Ministry's extension team hosted a variety of learning events to share their knowledge with clients. One example was Crop Diagnostic School, a full-day hands-on learning opportunity to examine plants, dig in the soil, pull weeds, catch insects and hone crop diagnostic skills. Here is what attendees had to say:

> *"The disease and weed portions were very helpful, as they were all very hands on and visual, with actual plant examples."*
>
> *"I appreciated that the speakers talked about new problems that were occurring (new diseases, insects, weeds, etc.) in Saskatchewan fields."*
>
> *"I gained a lot of knowledge in new areas and was able to brush up on things I have learned before; all of it equally important."*
>
> *"The weeds book is a good tool and I appreciate it! [They] will come in handy this fall and next year."*

Scott Hartley, Provincial Insect and Pest Management Specialist, teaches sweep net techniques.

Key Actions

Continue the review, development and implementation of initiatives that contribute to the successful transition and long-term operation of former federal pasture lands by patron groups.

- The Ministry worked with pasture patron groups to form entities to manage federal pastures through long-term leases. As of March 31, 2016, 33 pastures have transitioned to patron control. The remaining 29 will transfer by March 31, 2018.

Develop and implement a digital strategy that contains new ways of offering Ministry services, including online delivery, to clients.

- Developed a new Digital Strategy as a roadmap to modernize our IT systems and service provision. This strategy will shift services online and significantly improve the way that clients access information and Ministry programs.
- Transitioned Ministry information to the new Saskatchewan.ca/agriculture portal to improve accessibility and reduce duplication.
- Launched new web-based programs for the Farm Business Development Initiative, Environmental Farm Plans and Premises Identification Database.

Performance Measures

Percentage of clients satisfied with programs and services

Our goal is to have 75 per cent of all producers surveyed to be satisfied with the Ministry by 2017. The Ministry offers many programs and services designed to assist farmers and ranchers, including a wide variety of publications (both print and electronic), customer service telephone lines, specialist services and program development. Technological advancements in areas such as social media, smart phones, tablets and online transacting are happening at a rapid pace. As technology changes, the Ministry will continue to update its service and information delivery systems to ensure clients' needs are being met, and programs and services are supportive of their overall agricultural operations.

Every two years we conduct a Client Services survey to measure how we are doing. Last year, in the 2015 Client Services Survey, a total of 1,002 surveys were completed. According to the survey, 52 per cent of producers surveyed were satisfied with the Saskatchewan Ministry of Agriculture based on the question: "How would you rate your overall satisfaction with Saskatchewan Agriculture service delivery?" In 2012, 66 per cent of producers surveyed were satisfied with us and in 2008, 39 per cent of producers satisfied or completely satisfied.

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Improved Public Perception of Agriculture

Partner to promote the benefits of agriculture

Strategies

Promote agricultural learning in the Saskatchewan educational system;
Implement a targeted agriculture awareness strategy; and
Implement a youth strategy for agriculture.

Results

Agriculture is a key driver of the Saskatchewan economy and plays a pivotal role in its potential for growth. The modern agriculture industry is technologically advanced and regulated based on sound science. However, it is not always viewed this way. Activist pressure, celebrity endorsements and sensationalized media stories have the capacity to influence public confidence in farming practices and food production.

To ensure Saskatchewan farmers and ranchers have access to the tools and technologies they need, the Ministry is working to gain the public's trust for modern food production. To secure our social licence to operate, the agriculture industry must first continue to let science drive decisions and then create awareness around what makes those production practices ethical and sustainable. The Ministry works closely with industry stakeholders to provide accurate information on the science, significance and sustainability of the agriculture industry.

The business of agriculture and food production in Saskatchewan is full of career and entrepreneurial opportunities. Programs targeted at youth promote these prospects, as well as support the development of curriculum-based resources to supplement student education on the science of agriculture.

> *"Our agriculture awareness journey has evolved to see the bigger picture of social licence, and industry is evolving right alongside us. Through the Agriculture Awareness Initiative Program we've been able to fund several industry projects to advance the cause; the SaskCanola-produced documentary License to Farm is one great example. With over 68,000 views on YouTube, to date the video has been very successful."*
>
> Krystal Aulie – *Provincial Agriculture Awareness Specialist*

Key Actions

Partner with industry to deliver the Agriculture Awareness Strategy.

- Met with industry, agri-businesses and government stakeholders to engage them in agriculture awareness efforts and identify partnership opportunities.
- Approved 17 new projects under the Agriculture Awareness Initiative Program for a total funding commitment of $209,000. Initiatives included the development of the License to Farm documentary and the distribution of more than 400,000 copies of *The Real Dirt on Farming* digest to Saskatchewan consumers, providing answers about how food is grown.
- Advanced agriculture awareness as a standing agenda item at Federal-Provincial-Territorial meetings of Ministers, Deputy Ministers and Assistant Deputy Ministers.
- Helped lead the Journey to Social Licence national effort, which featured regional consultations to drive the development of a national framework supporting social licence across Canada.
- Continued investment in, and support for, Farm & Food Care Saskatchewan, Agriculture in the Classroom and the Saskatchewan 4-H Council.
- Provided a science-based presence for issues such as the neonicotinoid/bee health concern and maximum residue levels of crop protection products in export markets.

Promote the sustainability of agriculture.

- Profiled agriculture's stewardship and sustainability story during Agriculture Month in October.
- Maintained public appreciation (75 per cent) for farmers and ranchers' role in sustaining the environment for future generations, as evidenced in the April 2015 omnibus survey.

Promote career opportunities in the agriculture industry to Saskatchewan youth.

- Leveraged *think*AG promotional events to encourage more than 12,000 Saskatchewan students to consider the wide range of careers agriculture and food production has to offer.

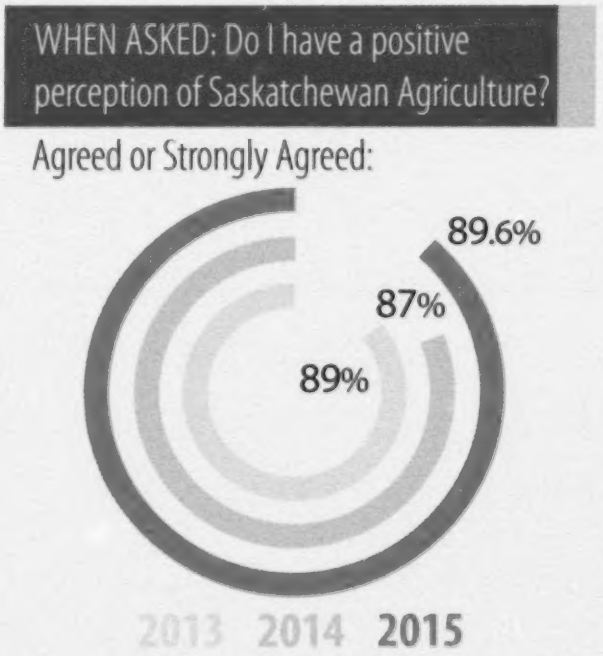
Performance Measures

Public understanding of agriculture as measured by the percentage of Saskatchewan residents with a positive perception of agriculture.

In 2013, 2014 and 2015, the Ministry asked 10 questions in an omnibus poll to capture how agriculture is viewed by more than 800 representative respondents.

When asked the following question: "I have a positive perception of Saskatchewan agriculture," the poll found that 89 per cent (2013), 87 per cent (2014) and 89.6 per cent (2015) of respondents agreed or strongly agreed. Older respondents were generally more positive about the industry, which emphasizes the importance of the Ministry's strategy to engage and educate Saskatchewan's youth about the positive benefits of agriculture.

Overall, these polls show that while the public perception of agriculture is mainly positive, there are areas of improvement that the Ministry will continue to focus on. Another omnibus survey is scheduled for 2016.



2015-16 Financial Overview

Expenses:

During 2015-16, the Ministry of Agriculture incurred expenses of $345.2 million, $17.2 million under our original expense budget of $362.4 million. Reductions in expenditures consisted of a $8.8 million in operational savings achieved through efficiencies, FTE management and fiscal restraint; $6.8 million reduction in operational and program spending resulting from the designation of *Growing Forward 2* funding; $5 million in AgriStability and AgriInvest program payments based on the winter forecast; $2.9 million in reduced AgriStability and Crop insurance program administration; $0.9 million in reduced amortization; and, $0.4 million for decreased bad debts expense.

Offsetting these expenditure reductions were an additional $6.3 million to fund Crop Insurance premiums and Wildlife Damage compensation claims and a $1.2 million increase for the Crown Land Sale Incentive.

The following table provides a summary of expenses:

	Original Budget ($000's)	**Actual** ($000's)
Personal Services	26,934	23,649
Supplier and Other Payments	18,564	14,130
Transfers to Individuals	227,300	219,718
Transfers for Public Services	86,822	85,786
Amortization Expense	2,816	1,868
Total	**362,436**	**345,151**

2015-16 Financial Schedules

Ministry of Agriculture Schedule of Revenue and Expenditures	(in thousands of dollars) 2014-15 Actual	2015-16 Estimates	2015-16 Actual	Variance over (under)	Notes
Revenue					
Land Revenue:					
Crown Land Sales	$ 15,444	12,700	29,199	16,499	1
Rent and Penalty on Land Leases	30,355	40,700	43,844	3,144	2
Land Licenses and Permits	473	300	509	209	3
Interest	21	25	22	(3)	
Receipts from Federal Government	71,232	72,927	65,550	(7,377)	4
Privileges, Licenses and Permits	183	168	182	14	
Sales, Services and Service Fees	211	333	372	39	
Interest Revenue	325	345	205	(140)	5
Other Revenue	1,764	4,426	9,673	5,247	6
Refund of Previous Year Expenditures	4,887	180	5,409	5,229	7
Total Revenue	$ 124,895	132,104	154,965	22,861	
Expenditure					
Central Management and Services	$ 9,500	11,294	9,086	(2,208)	1
Industry Assistance	$ 6,444	7,551	6,435	(1,116)	2
Land Management					
Land Management Services	$ 4,435	5,716	4,517	(1,199)	3
Land Revenue Bad Debt Allowances	4	400	48	(352)	4
Crown Land Sale Incentive Program	608	300	1,538	1,238	5
Subtotal	$ 5,047	6,416	6,103	(313)	
Policy and Planning	$ 2,734	3,039	2,378	(661)	6
Research and Technology					
Project Coordination	$ 944	957	913	(44)	
Research Programming	34,334	25,776	35,396	9,620	7
Subtotal	$ 35,278	26,733	36,309	9,576	

Ministry of Agriculture Schedule of Revenue and Expenditures		2014-15 Actual	2015-16 Estimates	2015-16 Actual	Variance over (under)	Notes
		(in thousands of dollars)				
Regional Services						
Regional Services	$	22,559	40,425	33,056	(7,369)	8
Financial Programs						
Financial Programs Management	$	20,750	26,192	11,560	(14,632)	9
Business Risk Management						
Crop Insurance Program Delivery	$	29,471	31,845	30,625	(1,220)	10
Crop Insurance Premiums		134,528	122,500	128,743	6,243	11
AgriStability Program Delivery		17,824	20,200	18,520	(1,680)	12
AgriStability		30,887	26,900	24,016	(2,884)	13
AgriInvest		38,304	38,525	36,428	(2,097)	14
Subtotal	$	251,014	239,970	238,332	(1,638)	
Budget Appropriation	$	353,326	361,620	343,259	(18,361)	
Supplementary Estimates/Special Warrants	$	–	–	–	–	
Statutory Adjustment	$	–	–	–	–	
Total Revised Appropriation	$	353,326	361,620	343,259	(18,361)	
Capital Asset Acquisitions	$	(519)	(2,000)	(359)	1,641	15
Amortization of Capital Assets	$	2,414	2,816	1,868	(948)	
Other	$	69	-	383	383	16
Total Revised Estimates and Expenses	$	355,290	362,436	345,151	(17,285)	
FTE Staff Complement (FTE-Full Time Equivalent)		384.3	392.4	372.5	(19.9)	1

Financial Schedules – Notes

Explanations of variances that exceed $50,000 between Estimates and Actuals.

Revenue

1. Increased acres sold due to the new Crown Land Sale Incentive Program and land sold under *The Wildlife Protection Act*.
2. Increase in Petroleum and Natural Gas Surface leases.
3. Increase in the sale of land with resource considerations.
4. Decreased revenue from the federal government for AgriStability and Crop Insurance administration and non-BRM programs under *Growing Forward 2*, partially offset by the transfer of land improvements related to the transition of federal pastures.
5. Lower interest revenue due to a decrease in the outstanding receivable balances.
6. Increased dividend received from the Agricultural Credit Corporation of Saskatchewan.
7. Refund of prior years' AgriStability expense due to the recovery of overpayments, and a reduction in the liability for prior years' AgriInvest program payments.

Expenditure

1. FTE management and savings in accommodations and other operating expenses.
2. Decreased funding under the Industry Organization Development Fund and invasive plants programs under *Growing Forward 2*.
3. Decreased system development costs partially offset by higher salary costs and other operating expenses related to the transition of the federal pastures and the 2015 Agricultural Crown Land Sale Program.
4. Decreased bad debt allowance.
5. Higher than expected incentives due to the introduction of the 2015 Agricultural Crown Land Sale Program.
6. FTE management and other operating expenses.
7. Increased *Growing Forward 2* funding due to the Livestock Forage Centre grant and additional research funding.
8. Decreased due to *Growing Forward 2* funding transferred to other areas, FTE management, operational savings, and savings in contractual services.
9. Decreased crop insurance program delivery due to FTE management and operational savings.
10. Increased crop insurance premiums due to an increase in insured acres and higher premium rate crops, as well as higher than expected wildlife damage claims.
11. Decreased AgriStability program delivery due to FTE management and operational savings.

Financial Schedules – Notes

12. Increased provincial contributions required to fully fund the AgriStability 2015 program year costs from the original federal government's forecast and an increase in AgriStability 2014 program year costs. AgriStability program payments for the 2015 program year of $17,712,000 have been estimated using economic models which consider the number of program participants, estimated reference margins, estimated claim year margins based on projected forecast commodity prices, crop yields, inventory changes and forecast changes in eligible income and expenses on an aggregate basis for different sectors of the agricultural industry. Based on the above key assumptions and using a statistical model for projections, estimated provincial contributions for the current year would be in the range of $11,748,000 to $23,676,000. Estimated program payments for prior program years are based on potential payments for claims not yet processed by Saskatchewan Crop Insurance Corporation.
13. Increased provincial contributions required to fully fund the AgriInvest 2015 program year costs from the original federal government's forecast. AgriInvest program payments for the 2015 program year of $36,428,000 have been estimated using economic models which consider the number of program participants, estimated reference margins, estimated claim year margins based on projected forecast commodity prices, crop yields, inventory changes and forecast changes in eligible income and expenses on an aggregate basis for different sectors of the agricultural industry. Based on the above key assumptions and using a statistical model for projections, estimated provincial contributions for the current year would be in the range of $35,495,000 to $37,362,000. Estimated program payments for prior claim years are based on potential payments for claims not yet processed by the federal government.
14. Decrease due to the timing of capital expenditures for system development.
15. Write down of capital assets from the Federal Pasture Transition Program.

FTE Staff Complement

1. Ministry of Agriculture's 2015-16 FTE budget is 392.4. The variance to budget number of (19.9) is the result of FTE management.

For More Information

For more information on Ministry of Agriculture programs and services:

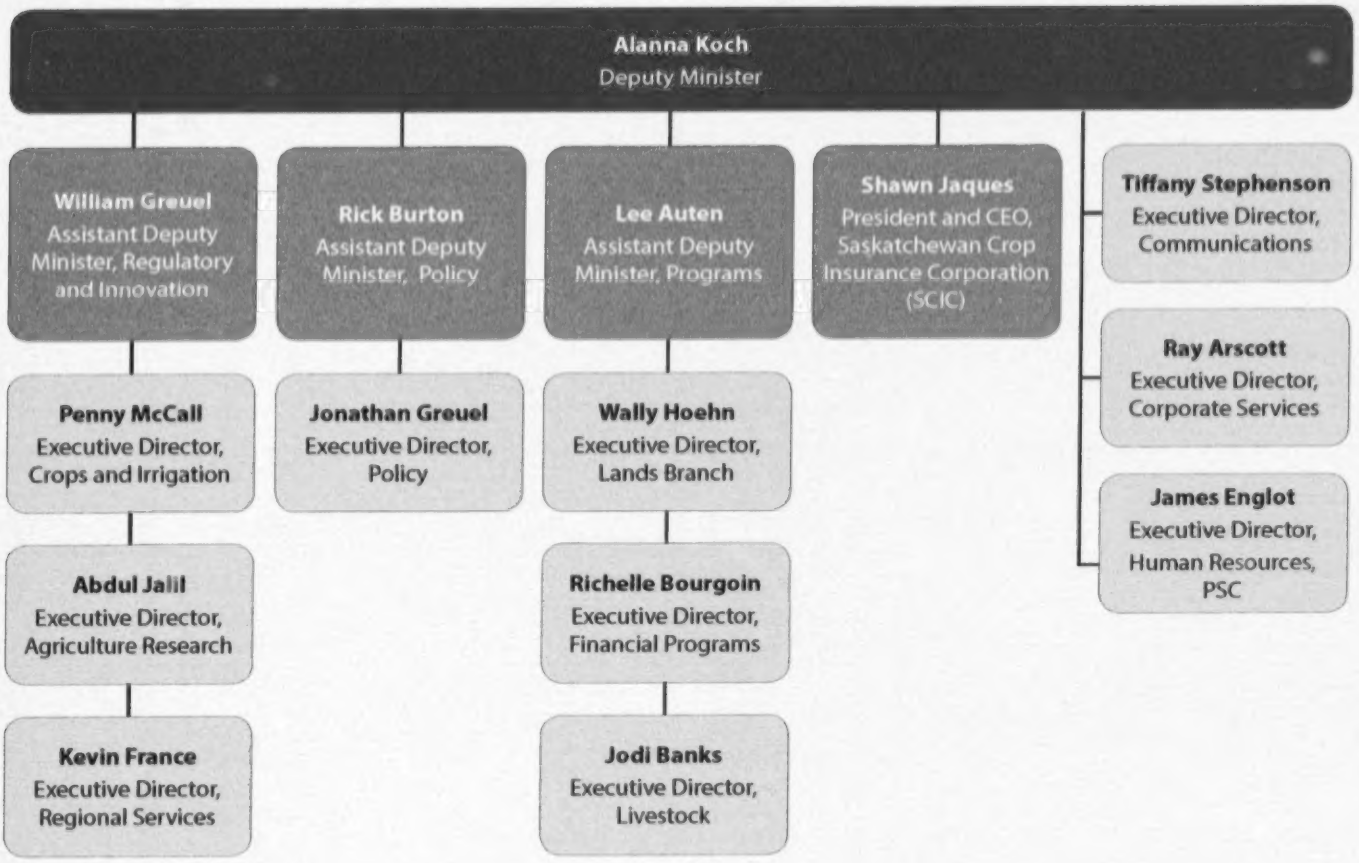
- **Contact the Agriculture Knowledge Centre at 1-866-457-2377 or by email at aginfo@gov.sk.ca; or visit the Ministry's website at Saskatchewan.ca/agriculture.**

The Ministry of Agriculture, Deputy Minister's Office Team. Back: Shawn Jaques, Alanna Koch, Bill Greuel and Deidre Plosz Rowley. Front: Greg Haase, Roberta Goodfellow, Amanda Dauk, Tamara Wolfe, Lee Auten and Rick Burton.

Appendices

Appendix A

(Ministry Org Chart)



Appendix B

(Loans & Guaranteed Debt)

Livestock Loan Guarantee (LLG) Program

The LLG Program facilitates growth of Saskatchewan's livestock industry by providing producer associations access to credit at favourable interest rates and with limited collateral requirements for purchase of cattle, sheep or bison. The program may also be used as a management tool to generate cash flow through retained ownership options. The LLG Program supports increased livestock production by providing guarantees to lenders who make loans to production associations and individual feedlot operators.

During 2015-16, budgeted and actual guarantees under this program were:

Breeder Associations (In thousands of dollars)	**Budget**	**Actual**	**Variance** Over (Under)
Beginning Balance	14,000	9,409	
Additions	1,000	827	
Reductions	–	–	
Ending Balance	15,000	10,236	(4,764)

Explanation of Variance:

Program participation is lower as a result of market uncertainty, producers exiting the livestock industry and additional options for financing.

Feeder Associations (In thousands of dollars)	**Budget**	**Actual**	**Variance** Over (Under)
Beginning Balance	9,000	7,709	
Additions	1,000	1,307	
Reductions	–	–	
Ending Balance	10,000	9,016	(984)

Explanation of Variance:

Program participation is lower as a result of market uncertainty, producers exiting the livestock industry and additional options for financing.

Feedlot Construction Loan Guarantees (In thousands of dollars)	**Budget**	**Actual**	**Variance** Over (Under)
Beginning Balance	2,000	267	
Additions	–	–	
Reductions	–	(64)	
Ending Balance	2,000	203	(1,797)

Explanation of Variance:

No new feedlot construction has taken place due to current overcapacity in the feedlot sector.

Short-term Hog Loan Program(s)

The Short-term Hog Loan (STHL) Program(s) supported increased livestock production by providing loans to producers. The initial STHL Program that was announced in December 1998, assisted hog producers in offsetting operating losses due to a severe reduction in hog prices at that time. A second hog loan program was announced in November 2002 in response to the high feed prices and depressed market prices that hog producers were experiencing. A third hog loan program was announced in December 2007, again in response to the high feed prices and depressed market prices.

During 2015-16, budgeted and actual loans under this program were:

2008 STHL Program outstanding loans (In thousands of dollars)	**Budget**	**Actual**	**Variance** Over (Under)
Beginning Balance	-	104	
Additions	-	-	
Reductions	-	(104)	
Ending Balance	-	-	-

Appendix C

(Legislation Administered)

The Agriculture Administration Act
The Agricultural Credit Corporation of Saskatchewan Act
The Agricultural Equipment Dealerships Act
The Agricultural Implements Act
The Agricultural Leaseholds Act
The Agricultural Operations Act
The Agricultural Safety Net Act
The Agri-Food Act, 2004
The Agrologists Act, 1994
The Animal Identification Act
The Animal Products Act
The Animal Protection Act, 1999
The Apiaries Act, 2005
The Crop Payments Act
The Diseases of Animals Act
The Expropriation (Rehabilitation Projects) Act
The Farm Financial Stability Act
The Farming Communities Land Act
The Grain Charges Limitation Act
The Horned Cattle Purchases Act
The Irrigation Act, 1996
The Land Bank Repeal and Temporary Provisions Act
The Leafcutting Beekeepers Registration Act
The Line Fence Act
The Pastures Act
The Pest Control Act
The Pest Control Products (Saskatchewan) Act
The Prairie Agricultural Machinery Institute Act, 1999
The Provincial Lands Act *
The Sale or Lease of Certain Lands Act *
The Saskatchewan Crop Insurance Corporation Act
The Saskatchewan 4-H Foundation Act
The Saskatchewan Farm Security Act
The Stray Animals Act
The Veterinarians Act, 1987
The Veterinary Services Act
The Weed Control Act

**Joint responsibility*

Appendix D

(Special Purpose Funds and Agencies with Legislative Responsibilities to Saskatchewan Agriculture)

Special Purpose Funds Year End

Horned Cattle Fund
Pastures Revolving Fund
Saskatchewan Agricultural Stabilization Fund

Agencies

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Council
Irrigation Crop Diversification Corporation
Prairie Agricultural Machinery Institute
Saskatchewan Crop Insurance Corporation
Crop Reinsurance Fund of Saskatchewan

Agencies under the Agri-Food Council

Canaryseed Development Commission of Saskatchewan
Chicken Farmers of Saskatchewan
Saskatchewan Alfalfa Seed Producers Development Commission
Saskatchewan Barley Development Commission
Saskatchewan Beekeepers Development Commission
Saskatchewan Broiler Hatching Egg Producers' Marketing Board
Saskatchewan Canola Development Commission
Saskatchewan Cattlemen's Association
Saskatchewan Egg Producers
Saskatchewan Flax Development Commission
Saskatchewan Forage Seed Development Commission
Saskatchewan Milk Marketing Board
Saskatchewan Mustard Development Commission
Saskatchewan Oat Development Commission
Saskatchewan Pulse Crop Development Board
Saskatchewan Sheep Development Board
Saskatchewan Turkey Producers' Marketing Board
Saskatchewan Wheat Development Commission
Saskatchewan Winter Cereals Development Commission
Sask Pork

Appendix E

(Third Party Funding)

	($000's)
Industry Assistance Grants	
Budgeted Industry Assistance Grants	3,809
Prairie Diagnostic Services Inc.	2,865
Saskatchewan 4-H Council Inc.	300
Agriculture in the Classroom	150
Canadian Centre for Health and Safety in Agriculture	125
Budgeted grants $50,000 and under	369
Miscellaneous Industry Assistance Grants	119
Miscellaneous grants $50,000 and under	
Comprehensive Pest Control Program	
Fieldworker Program – support for the control of pests and diseases such as rats, perennial weeds, Hantavirus and Dutch Elm Disease.	1,400
Invasive Plants Program – funding to increase awareness of invasive plants in rural municipalities and to assist in developing multi-jurisdictional management plans for problem species.	420
Black Fly Control Program – funding to purchase and apply chemicals to control the problems caused by black flies and the harm invoked on livestock in northern Saskatchewan.	138
Beaver Control Program – funding to support the removal of problem beavers.	530
Feral Wild Boar Program – funding for removal of problem wild boar that cause livestock deaths and agricultural property damage.	19
Total Industry Assistance	6,435
Research and Technology Grants	
Research and Development Grants	28,886
Funding provided through a number of mechanisms, including the Agriculture Development Fund, to support research and development. Areas of focus include, but are not limited to: improved food quality and safety, decreased agricultural production risk, increased livestock competitiveness and the development of proprietary technology and know-how in novel applications.	
Strategic Research Programs	3,962
Provides funding to cover the salaries of 15 research scientist/technician teams at the University of Saskatchewan and the Prairie Agricultural Machinery Institute. The program covers four broad research themes including crop genetic improvement, foods and bio-product development, soils/environment and livestock research.	

Prairie Agricultural Machinery Institute	1,023
Core funding is provided to the Prairie Agricultural Machinery Institute (PAMI) which contributes to their mandate of assisting the agriculture industry through applied research, development and testing. PAMI focuses on farm equipment design, bio-energy and processing, as well as livestock production and economics through their relationship with the Western Beef Development Centre.	
Ag-West Bio Inc.	1,525
Ag-West Bio Inc. functions as a catalyst for Saskatchewan's bioeconomy, helping to move research to market. Entrepreneurs commercializing their innovations come to Ag-West Bio for pathfinding and help creating a sound business plan.	
Business Risk Management	78,964
Provides the provincial contributions to the AgriStability and AgriInvest Programs.	
Crop Insurance	159,368
Provides funding for the Saskatchewan Crop Insurance Corporation (SCIC) to administer insurance programs which protect grain and livestock producers from production failures due to natural hazards. SCIC also delivers programs which compensate producers for crop damage caused by big game and migratory waterfowl.	
Growing Forward 2 Program	21,941
Provides funding for the federal contributions for non-business risk management programs under the Growing Forward 2 Framework Agreement with the federal government.	
Agricultural Crown Land Sale Program	
Cost of providing incentives to purchasers of leased Crown land and favourable financing terms.	1,538
Miscellaneous	
Crops and Irrigation Branch – provides funding to Irrigation Crop Diversification Corporation for non-district irrigation members.	100
Crops and Irrigation Branch – provides funding to irrigation districts for the provision of water to Ducks Unlimited projects.	102
Crops and Irrigation Branch – provides funding to rural municipalities for the rehabilitation of irrigation bridges.	307
Lands Branch – provides compensation to rural municipalities and Conservation and Development Authorities for tax levies on vacant patented Crown land and for arrears owed on behalf of former Crown land lessees.	44
Livestock Branch – grant to the Animal Protection Services of Saskatchewan to support the investigation of welfare complaints involving animals.	661
Livestock Branch – grant to Livestock Services Saskatchewan in support of the transition of livestock inspection services to industry.	625
Various – change in valuation allowance and provision for loan losses.	23
Total Third Party Funding	305,504

Appendix F

(2015-16 New and Amended Regulations)

Amended Regulations:

The Animal Protection Amendment Regulations, 2015 – The amended regulations update the Codes of Practices for the care and handling of farm animals in the province, and align with the latest industry standards. The Codes provide education on the care and management of farm animals and are used as a reference during animal welfare investigations.

The 2013 Farm and Ranch Water Infrastructure Program Amendment Regulations, 2015 – The amendments provide for an increase to the existing funding cap for non-district irrigators in the province.

The Farm Security Amendment Regulations, 2015 – The amended regulations strengthen definitions and clarify who is eligible to own and/or provide financing for farmland in Saskatchewan.

The Pest Control Products Regulations, 2015 – The amendments update and modernize *The Pest Control Products Regulations* by providing greater clarity, and harmonizing with neighbouring jurisdictions and national standards. The changes make the regulations more relevant to current industry practices, enhance the protection of the environment and safety of personnel, and reduce financial risk to farmers and ranchers in the event of chemical drift/trespass.

The Broiler Hatching Egg Marketing Plan Regulations, 2015 – The amended regulations reflect current industry practices, provide for the establishment of a development fund and provide increased clarity in a number of areas relating to housekeeping of the Saskatchewan Broiler Hatching Egg Marketing Board. The amendments also align with governance standards of other agencies under *The Agri-Food Act, 2004*.

The Sheep Development Plan Amendment Regulations, 2015 – The amended regulations are primarily housekeeping in nature for the Sheep Development Board. They address issues around timing of the annual general meeting, allow for greater flexibility with meeting dates, and are consistent with other agencies under *The Agri-Food Act, 2004*.

The Flax Development Plan Amendment Regulations, 2015 – The amendment regulations are primarily housekeeping in nature and address issues around the length of time for directors terms and allow for changes to the election cycle of board members. The changes help improve governance, retain experienced directors and reduce the costs associated with yearly elections.

The Animal Protection (Investigative Training Course) Amendment Regulations – The amendments change the investigative training requirements for Animal Protection Officers. The previous regulations referenced an investigative training course which is no longer being offered. The amendments were required to provide for a replacement course, currently being developed by the Ministry, in consultation with humane society stakeholders.

The Provincial Lands (Sale of Lands and Lease Rental) Amendment Regulations, 2015 – The amendments were required to allow for the implementation of the 2015 Agricultural Crown Land Sale Program. The program provides for the sale of cultivated and formerly cultivated lands, which have no public interest, to existing lessees.

The Saskatchewan Farm Security (Farm Ownership) Amendment Regulations, 2015 – The amendments reflect recent changes to *The Saskatchewan Farm Security Act*. They provide clarity on who is eligible to own farm land in Saskatchewan; they set out the terms of the statutory declaration and strengthen the power of the Farm Land Security Board to enforce the legislation.